



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

April 6, 1998

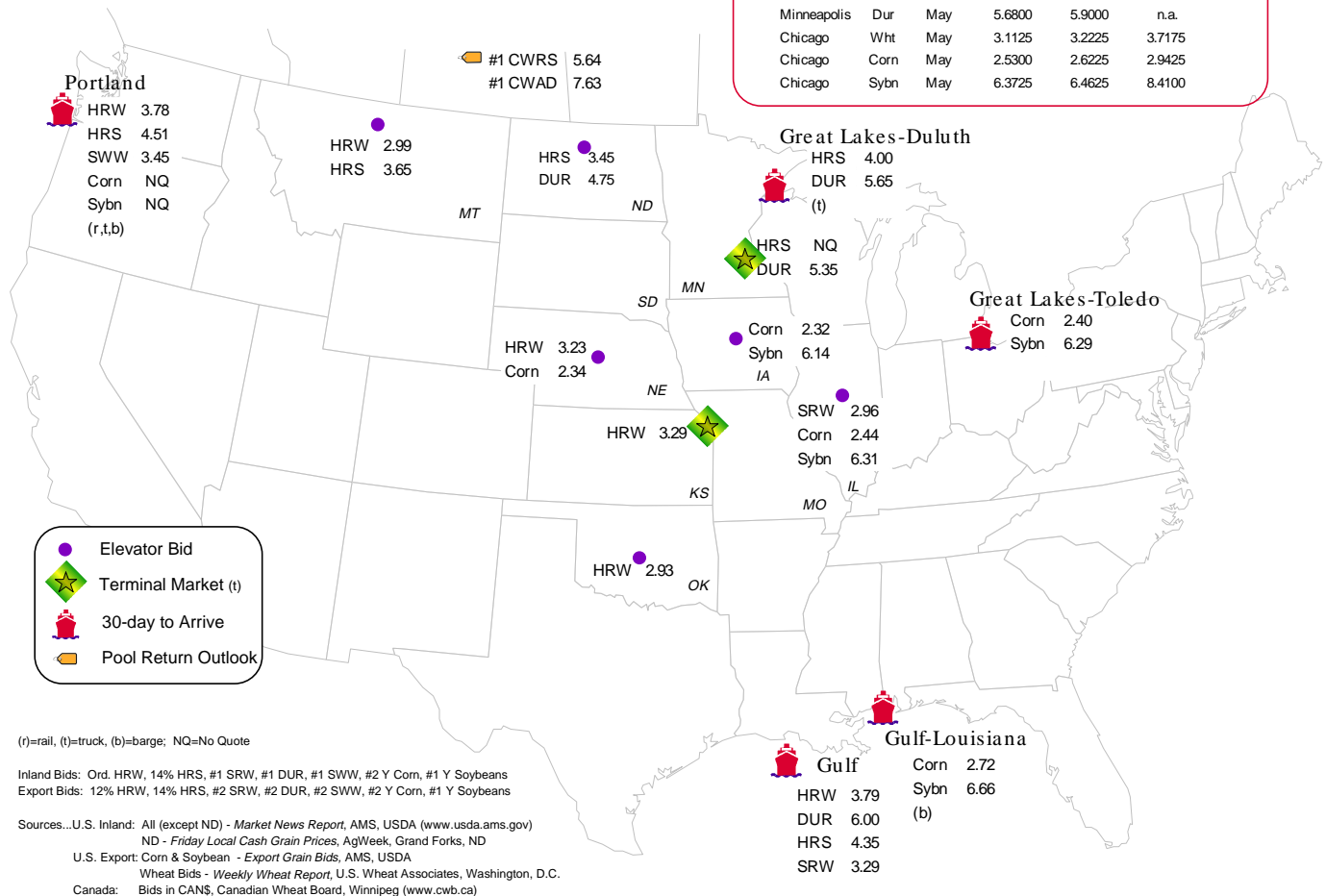
Barge Pilots Strike. After failing to meet with barge company representatives in Memphis on Friday, the barge pilots group, Pilots Agree, called for a strike. The group, recently affiliated with the International Organization of Masters, Mates, and Pilots, an AFL-CIO union, includes roughly one third of the nation's 3,000 tugboat pilots. It was reported that approximately 80 pilots walked off the job early Saturday after barge companies refused to negotiate pilot demands for higher wages, improved benefits, and attention to safety issues. The the barge industry's first-ever strike idled approximately 600 cargo-laden barges along the Mississippi River and in the Intracoastal Waterway. According to the Coast Guard, which is taking a position of "nonpartisan observation," traffic appears to be operating normally. "There has been no effect on traffic," according to a Coast Guard spokesman, as barges, safely tied along the river banks, await relief pilots. That sense of reassurance appeared to prevail. One shipping representative stated that until the extent of the strike is known, there will be no real alarm in the freight community. The strike comes at a time of particularly light demand for grain exports. Competing rail lines, such as the Illinois Central (IC), have not noticed an increased demand for grain shipments from the Central Midwest to New Orleans. Ann Thoma, spokeswoman for the IC, said that grain-hauling capacity is plentiful. The strike is not without consequences to the pilots, however. Some complain that the newly formed group acted too quickly in this weekend's confrontation. Also, aside from having no strike fund, pilots run the risk of losing their jobs if the strike is not successful. (*Reuters, Knight-Ridder, Washington Post*)

STB Forum Weighs Issues. The Surface Transportation Board (STB) heard the views of both shipper and carrier representatives during a 2-day meeting in Washington, DC, which ended Friday. The regulatory review focused on whether the STB should change its current policies toward a rail industry, tormented by service problems and accusations of high rates. Speaking on behalf of Class I carriers, Robert Krebs, Chairman of the Burlington Northern Santa Fe Railroad (BNSF), stated that "we have no incentive to price our service at rates that discourage use of our railroad or make the shippers uncompetitive in the marketplace," citing the Staggers Act of 1980, which allows railroads to negotiate rates. This view was echoed by Dick Davidson, Union Pacific (UP) Chairman, saying that to remain profitable, railroads need to be free to negotiate rates. Without the ability to cover its costs and satisfy investors, the industry will be unable to build "new infrastructure to handle the traffic of a growing economy," Davidson said. Among shippers' concerns were the desire to simplify the tests for market dominance and reduce rates for "captive shippers," served by only on-rail lines. Thomas Kornegay, of the Port Authority of Houston, stated that every port and shipper should have access to at least two carriers. Linda Morgan, STB Chairman, emphasized that railroads should recognize the genuine concern of shippers and not see the forum as a campaign to lower freight rates. The STB is, itself, under scrutiny, as Congress decides its future funding and regulatory power. Ending the meeting, Morgan said that the STB would work on several proposals and allow lawmakers to deal with others. (*Reuters, Journal of Commerce, Knight-Ridder*)

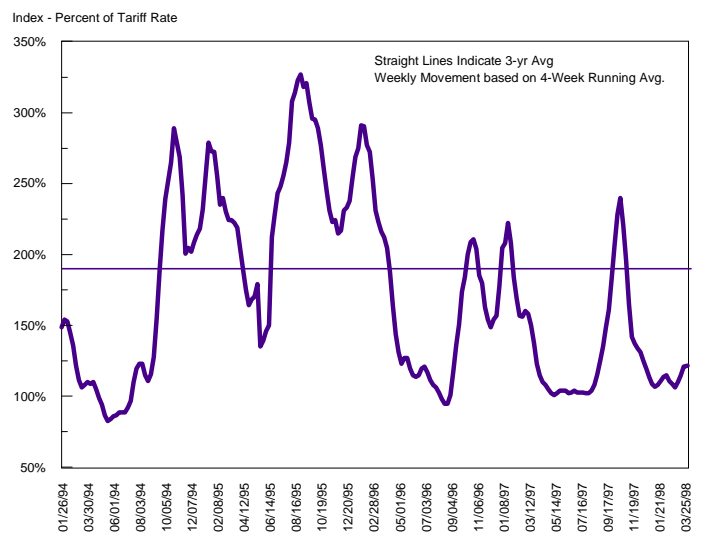
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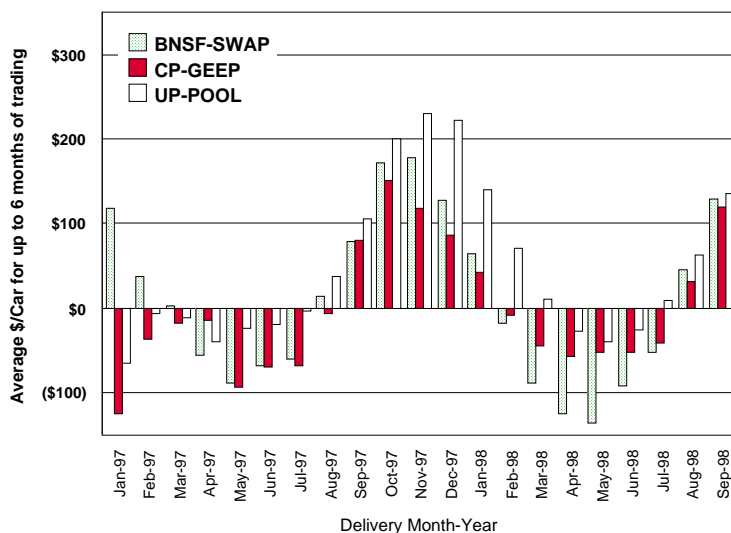
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	May-98			
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	18,928	3%	no offer	
UP-GCAS	5,400	23%	no offer	
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Apr-98	May-98	Jun-98	Jul-98
BNSF-COT	\$(169)	\$(158)	\$(79)	\$(40)
CP-GEEP	\$(25)	\$(20)	\$(29)	\$(26)
UP-Pool	\$21	\$24	\$55	\$83

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	May-98	Jul-98	Aug-98
COT/N. Wheat	no bid	no offer	no offer
COT/S. Corn	no bid	no offer	no offer
GCAS/Region 2	\$1	no offer	no offer
GCAS/Region 4	\$20	no offer	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Contract Rates*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
4/3/98	no trades reported		

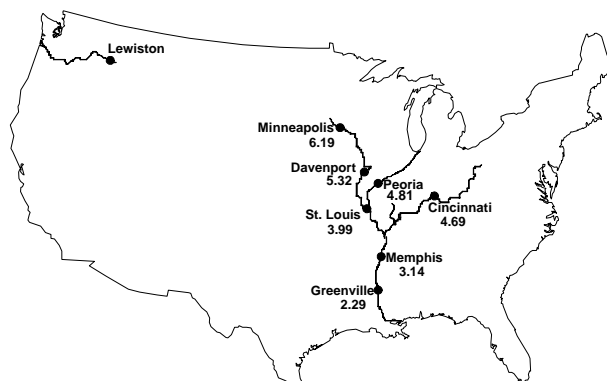
Southbound Barge Freight Rates

	4/2/98	3/25/98	May '98	July '98
Twin Cities	160	162	140	140
Mid-Mississippi	128	138	118	118
Illinois River	115	127	109	110
St. Louis-Cairo	92	98	90	90
Lower Ohio	108	110	103	105
Cairo-Memphis	90	98	88	92

Source: Transportation & Marketing /AMS/USDA
nq- no quote

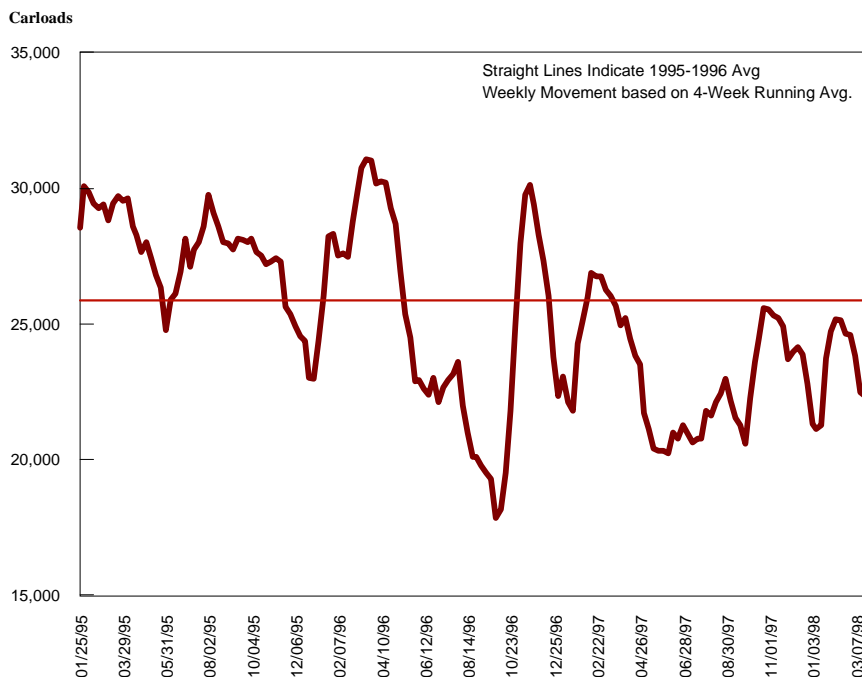
* Merchants Exchange of St. Louis Daily Barge Call Session

Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/14/98	19,196
3/21/98	22,695
3/28/98	21,504
Year to Date - 1998	284,196
Year to Date - 1997	306,864
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
03/28/98	529	2,743	1,371	2,499	8,050	510	5,802	2,624	5,003
This Week Last Year	558	2,394	1,427	2,241	8,661	732	9,059	3,025	4,973
1998 YTD	9,293	30,374	15,659	31,390	108,901	8,651	79,928	33,904	52,602
1997 YTD	6,451	30,111	22,173	31,861	102,646	7,973	104,382	33,665	52,975
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

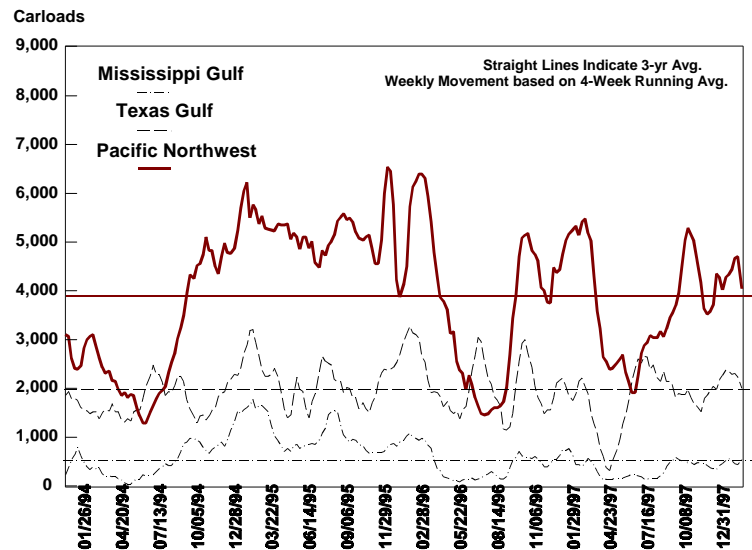
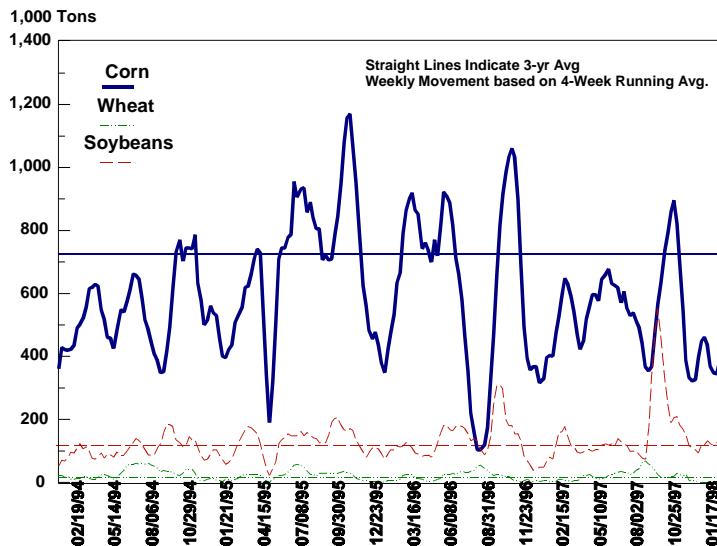
April 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/17/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/06/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/17/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,450	\$13.16	\$0.44
01/13/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
01/13/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
01/15/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/16/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
11/16/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/11/98	407	2,334	4,451	125
03/18/98	540	2,126	4,732	464
03/25/98	806	1,283	2,326	210
YTD 1998	5,841	25,495	50,966	4,242
YTD 1997	6,933	24,080	58,545	2,394
Total 1997	20,152	93,265	194,905	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation and Marketing/AMS/USDA				

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**
for week ending 03/28/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	253	3	92	349
Winfield, MO (L25)	395	3	105	505
Alton, IL (L26)	664	3	152	822
Granite City, IL (L27)	678	3	150	834
Illinois River (L8)	218	0	39	257
Ohio (L52)	9	3	11	77
Arkansas (L1)	0	25	3	28
1998 YTD	5,709	262	2,136	9,248
1997 YTD	6,318	297	1,871	9,794
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
03/26/98	1,259	208	1,026	517	156	3,165	6,767	1,823	11,755
This Week Year Ago	1,043	142	910	633	257	2,984	8,227	3,466	14,677
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	8,222	4,478	5,100	4,760	1,105	23,665	21,240	20,417	65,322
96/97 YTD	6,569	3,513	6,652	5,189	758	22,681	28,296	19,030	70,007
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

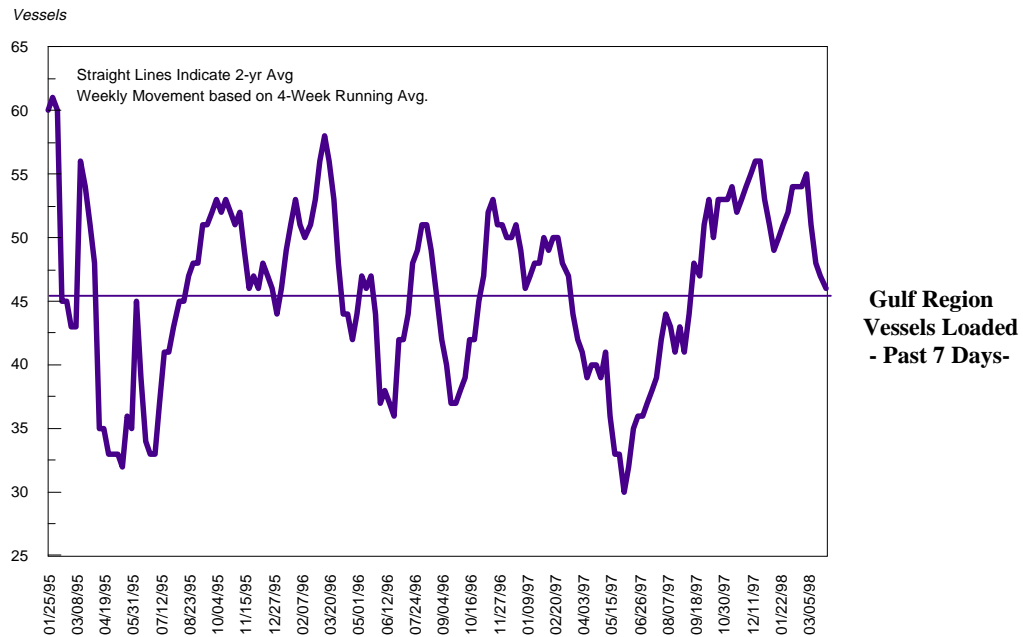
Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
04/02/98	177	218	34	81	567	133	81	33	17
1998 YTD **	2,629	2,243	348	1,707	7,217	5,989	1,670	62	474
1997 YTD **	3,249	3,793	661	940	8,505	6,535	670	838	373
% of Last Year	81%	59%	53%	181%	85%	92%	249%	7%	127%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date									

Select Canadian Ports - Export Inspections

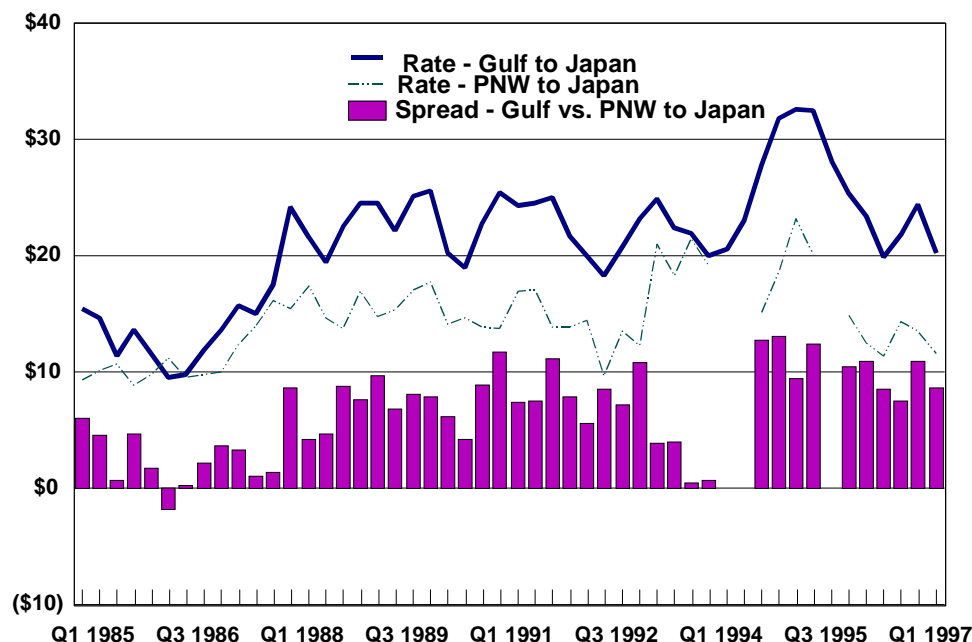
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 04/03/98			
Vancouver	4,628	855	800
Prince Rupert	2,898	31	320
Prairie Direct	797	256	273
Thunder Bay	301	267	209
St. Lawrence	3,000	1,406	7
1997 YTD Exports	11,624	2,815	1,609
1996 YTD Exports	8,779	2,552	2,337
% of Last Year	132%	110%	69%
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31			



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
03/26/98	56	46	60				7	10	5
04/02/98	39	50	43				12	11	1
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1997 4 th Qtr	1996 4 th Qtr	% Change		1997 4 th Qtr	1996 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.01	\$22.64	-3%	Japan	\$13.34	\$14.66	-9%
Mexico	\$13.97	\$14.96	-7%	Red Sea/ Arabian Sea	\$20.18	\$22.74	-11%
Venezuela	\$13.59	\$12.62	8%				
N. Europe	\$11.34	\$13.28	-15%	Argentina to			
N. Africa	\$14.80	\$15.87	-7%	N. Europe	\$16.12	\$18.15	-11%
				Japan	\$23.23	\$30.37	14%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Vessel Size (Tons)	Freight Rate (\$/Ton)
Gulf	Japan	Heavy Grains	April	45,000-52,000	\$16.50
Gulf	So. Korea	Heavy Grains	April	52,500	\$16.00
Gulf	Amsterdam	Heavy Grains	March/April	55,000	\$6.75
St. Lawrence	Italy	Wheat	April	27,500	\$15.00
So. Brazil	Indonesia	Grains	April	30,000	\$20.00
Paranagua	Lisbon/Hamburg	Grains	April	55,000	\$10.50
River Plate/Brazil	China	Meals	April	50,000	\$19.00
Hamburg	Algeria	Wheat	April	25,000	\$12.90
Romania	So. Korea	Wheat	March/April	53,000	\$14.00

Source: Maritime Research Inc.